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Streamlined Licensing Through Institutional Master Agreements: A Success Story

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Abstract

The University of Tennessee implemented a master agreement initiative in fall 2012 as an effort to create a more effective and efficient contract review and approval process. The initiative, a joint venture between the campus libraries, the University's System Office of Contracts Administration, and the Purchasing Department, started with one basic master agreement and quickly expanded to over 115 signed documents. The agreements cover the vast majority of library electronic and media resource vendors and have reduced contract volume by more than half. When master agreements are in place, terms and conditions no longer sit awaiting review and approval for multiple weeks or months, which virtually eliminates the danger of access to library resources being shut off. Additionally, master agreements have removed obstacles which had previously impeded the University's various campus libraries from working together to save money and broaden access through joint purchases.

Landscape

The University of Tennessee is a multicampus state university system with campuses and institutes in the cities of Knoxville, Memphis, Chattanooga, Martin, and Tullahoma. These organizational components spend several million dollars per year on resources that support teaching, research, and learning with many expenses requiring contracts to be signed. System-wide, the University processes more than 5,000 contracts annually. Generally, the various contract offices have a small number of staff dedicated to reviewing contracts. With continued interest in acquiring electronic resources, library contract volume has seen a steady increase in volume.

Because the system is an instrumentality of the state of Tennessee, all contracts are required to comply with a multitude of state laws and fiscal policies, including policies that strictly restrict the number of individuals authorized to sign contracts on behalf of the system. Certain contracts are required to go through the campus-level contract office, the system-level contract, and the University's office of general counsel. Many vendors are very slow to respond to changes requested by the University, sometimes delaying the process by months.

The Challenge

These factors created a setting in which the review and approval process for library contracts and amendments was extremely slow to complete. This frustrated library staff as these delays could result in existing resources being shut off while contracts were processed. Purchasing new products also proved to be problematic for librarians as new contracts needed to be signed or existing agreements amended.

Office of Contracts Administration personnel were equally frustrated as the number of redundant library contracts—that is, contracts for the same products that multiple campus libraries subscribed to—required separate reviews and approvals to account for slight differences in content such as technical contacts, prices, or full-time equivalent totals. This, coupled with the vast number of library resources requiring contracts, resulted in a disproportionate amount of time being spent by staff on reviewing library contracts, resulting in a general backlog for all contracts across the system.

Vendors found the system's policies confusing and challenging as the need for multiple contracts and yearly amendments distracted from their sales efforts or increased their own contract review costs. New vendors in particular

often struggled to understand which system department handled what and whom to contact to inquire about delays or negotiate license terms. Payment delays were a frequent issue that caused concern for all vendors as minute differences between a contract and invoice content (for instance, a title being spelled out in a contract but abbreviated on an invoice) could prevent a payment from being made.

By early 2012, librarians involved with electronic resources management recognized that the current policies and procedures were encumbering them from performing their mission. Additionally, stakeholders agreed that the current environment strained relationships and created extra work across the board. In an effort to address these challenges, personnel from the libraries, the University's System Office of Contracts Administration and Purchasing Department collaborated to examine existing procedures and identify a solution that would streamline existing processes while ensuring that existing fiscal policies and state laws were followed.

Proposed Solution

The System Office of Contracts Administration, responsible for the bulk of the license review and approval work, took the lead in investigating possible solutions to address the timely and redundant contract review process. After exploring available options, stakeholders determined that a master agreement would address the issues encountered by the campus libraries, Office of Contracts Administration, and Purchasing Department. While not an entirely new concept—many vendors use master service agreements for their products—the idea of creating an institutional master agreement issued by a university that covered library resources was new.

The institutional master agreements, as proposed, would depart from typical vendor supplied agreements by removing library specific business terms (price, title lists, FTE numbers, etc.) from the contract. Instead, they would include standardized language applicable across the system addressing governing law, termination,

severability, indemnity, notification, online terms and conditions, and other language not prone to frequent changes. Library business terms would be covered on system-issued purchase orders. University of Tennessee policies dictate that purchase orders are requested by campus departments and issued by the Purchasing Department. This combination—having the standard terms and conditions covered in the institutional master agreement and moving business terms to a system-issued purchase order—would allow the contract review and approval process to be bypassed for future renewals or new purchases with vendors that had master agreements in place.

In order to lessen the burden on Office of Contracts Administration personnel, it was suggested by the campus libraries that they be responsible for contacting vendors about switching to institutional master agreements. The libraries were amenable to this switch since they had existing relationships in place with vendor representatives and it was believed these relationships could be leveraged to expedite the transition to institutional master agreements. To cut down on duplicative efforts and take advantage of the close proximity to the Office of Contracts Administration, it was decided that Knoxville campus libraries' Licensing, Electronic Resources, and Serials Department would coordinate overall efforts and serve as the main point of contact for all vendors setting up institutional master agreements.

Process

As a collaborative effort between the campus libraries, Office of Contracts Administration, and Purchasing Department, the institutional master agreement negotiation, creation, and approval process had the potential to fall victim to the same bureaucratic red tape that plagued the pre-existing process. It therefore became a priority to keep the process as streamlined as possible; limiting the number of University of Tennessee individuals involved in facilitating institutional master agreement implementation is paramount. Master agreements are currently coordinated by a single librarian at the Knoxville campus and an attorney with The Office of Contracts

Administration. Each of these individuals serves as a liaison to counterparts at other campuses or system offices as needed.

Another way that the process remains streamlined is through the use of an agreement template. As a matter of convenience and to create a uniform appearance, an institutional master agreement template was created that contained all of the legal language required by the system. Vendor licenses are attached to the template. This allows parties to easily merge contract documents instead of rearranging or negotiating where specific clauses should be placed.

The process of setting up a master agreement begins when a campus library suggests one be pursued with a specific vendor. The vendor is contacted by the Electronic Resources Specialist at the Knoxville campus Libraries who provides information about master agreements and requests an editable version of the vendor's existing agreement. Once the agreement is received, it is edited to ensure compliance with University of Tennessee policies, state law, and library business practices. The edited agreement is returned to the vendor and negotiations take place as each side works together to settle on language that is agreeable to both sides. When negotiations have ended, a clean copy is prepared and submitted for signature and then a fully executed copy is filed with system. The fully executed copy allows all future renewals and purchases to be handled with system purchase orders which contain individual campus library subscription and business terms such as date ranges, title lists, and costs.

Results

The first library institutional master agreement became effective on August 15, 2012 and as of October 21, 2014, 118 have been completed. The agreements have been widely successful in streamlining purchases and renewals of databases, e-books, journal packages, and streaming media. The work time being spent reviewing, negotiating, routing, and tracking library contracts has been reduced 55% and has resulted in a savings of approximately \$62,000.

Feedback from all stakeholders has been overwhelmingly positive. Librarians and library administrators feel empowered by the agreements as they have restored a level of autonomy in the negotiation of library business terms. The streamlining enabled by the agreements has also solved most of the issues with resources being shut off due to delays caused by licenses bogged down in the contract review and approval process. Office of Contracts Administration personnel spend less time reviewing redundant library contracts and amendments. Vendor sales representatives and accounts payable staff appreciate the bypassing of bureaucratic red tape when it comes to closing sales or receiving payment.

Lessons Learned

The University of Tennessee has had to remain flexible in its approach to getting institutional master agreements signed by vendors. The libraries have had to remain focused on the purpose of the agreements—to streamline the renewal and purchase process—and as a result, have had to forego lobbying for major changes to language addressing topics such as open access, confidentiality, and data mining rights. The Office of Contracts Administration has had to occasionally make compromises concerning the preferred template and attachment format. Instead, some institutional master agreements have been created by inserting the system's required language into a vendor's existing agreements.

Timing and persistence have also played key roles in successfully negotiating institutional master agreements. It should come as no surprise that vendors are more open to the idea of renegotiating an agreement when subscriptions are up for renewal. Coinciding attempts at obtaining an institutional master agreement with renewal dates is a tactic that has been used successfully multiple times. Additionally, tying the purchase of a new product or subscription has also helped convince vendors to sign institutional master agreements when they have otherwise been hesitant to do so. Persistence and not taking "no" for an answer has had a positive impact in reaching the number of institutional master

agreements that have been signed. Several vendors initially declined to enter into the agreements but repeated emails, phone calls, and face-to-face meetings paid off in the majority of cases. Generally, it is a matter of identifying the right individual who can make the decision to enter into the master agreement and setting up a time to discuss.

Going Forward

In a perfect world, all of the libraries' renewals and purchases would be covered by institutional master agreements. Realistically though, this is a difficult goal to achieve as there continues to be a small number of vendors who refuse to make the change due to their own fiscal policies and procedures. Despite that limitation, the majority of library vendors working with the University of Tennessee have now signed institutional master agreements and efforts will continue to be made to reach the 100% mark.

The success of the agreements has also caught the attention of other institutions. Most notably, The Tennessee Board of Regents college and university libraries have asked for assistance in setting up their own master agreements. Several

meetings have been taken place between University of Tennessee and Tennessee Board of Regents personnel; and a working group comprised of librarians, contract officers, and purchasing agents, was recently formed to help speed the process along.

Summary

In an effort to create a more effective and efficient library contract review and approval process, the University of Tennessee decided to implement institutional master agreements. A collaborative effort between the system's libraries, Office of Contracts Administration, and Purchasing Department, the agreements were launched in August 2012 and there are now over 115 in place. Institutional master agreements have been extremely successful at streamlining renewals for existing subscriptions and acquiring new products and have reduced overall library contract volume by 55%. Emphasis continues to be placed on entering into additional institutional master agreements with vendors, and the system is working with other colleges and universities who are interested in duplicating the success that The University of Tennessee has had.